

SUMMARY OF FINAL RULE CHANGES

Rule No.	The Current Rule	The Proposed Rule	The Final Rule
801.1(b) Definition of Control	Provides for two tests of control for unincorporated entities.	Would remove the second test of control for unincorporated entities by deleting the reference to unincorporated entities in subpart (2).	Restores the second test of control only for certain trusts defined in 801.1(c)(3) - (c)(5) as having the right to designate 50 percent or more of the trustees.
801.1(f) Definition of Non-Corporate Interest	N/A - New Rule	Would define the new term "non-corporate interest".	Adopted as proposed with minor edits for clarification.
801.2(d) Consolidation	Covers only consolidations of corporations.	Would cover all combinations of existing entities into a new parent.	Removes dual-listing arrangements from the rule. These arrangements are too difficult to distinguish from other types of contractual arrangements that are not subject to reporting.
801.2(f)(1) Acquiring and Acquired Person in Acquisitions of Non-Corporate Interests	N/A - New Rule	Would define when a potentially reportable acquisition of non-corporate interests has occurred and identifies who the acquiring and acquired persons are.	Adopted as proposed with minor edits for clarification.
801.2(f)(2) Acquiring and Acquired Person in Acquisitions of Non-Corporate Interests	N/A - New Rule	Would define when a potentially reportable acquisition of non-corporate interests has occurred and identifies who the acquiring and acquired persons are.	Adopted as proposed with minor edits for clarification.
801.2(f)(3) Acquiring and Acquired Person in Acquisition of Not-For-Profit Corporation	N/A - New Rule	Would formalize that acquiring control of a not-for-profit corporation is an acquisition.	Adopted as proposed.

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801.4 Secondary Acquisitions	Covers only secondary acquisitions that result from acquisitions of a controlling interest in a corporation.	Would expand coverage to secondary acquisitions that result from acquisition of a controlling interest in any entity.	Adopted as proposed.
801.10 (d) Valuation of Interests in Non-Corporate Entities	N/A - New Rule	Would define how to value an acquisition of a controlling interest in an unincorporated entity.	Adopted as proposed.
801.11 Annual Net Sales and Total Assets.	States that this section is inapplicable to the determination of the size of a newly formed entity.	N/A - not in proposed rules.	Added a reference to unincorporated entities being formed under Section 801.50.
801.13(b) Aggregation of Assets	Only requires aggregation of newly-acquired assets with previously acquired assets if the earlier transaction has closed.	Would require aggregation if the earlier transaction has been closed or is still pending.	Adopted as proposed.
801.13(c) Aggregation of Non-Corporate Interests	N/A - New Rule	New rule would define aggregation of non-corporate interests.	Adopted as proposed.
801.15(d) Aggregation of Previously Exempt Assets and Voting Securities	N/A - New Rule	Would require aggregation of sales in or into the U.S. when foreign assets and voting securities of foreign issuers are acquired from the same UPE.	Adopted as proposed.

Rule No.	The Current Rule	The Proposed Rule	The Final Rule
801.21 Securities and Cash not Considered Assets When Acquired.	Used in determining the aggregate total amount of assets under Section 7A(a)(2)(A), Section 7A(a)(2)(B)(i), and Sec. 801.13(b).	N/A - not in proposed rules.	Adds a reference to Section 802.4 to allow cash and cash equivalents to be treated as exempt assets in determining whether the limitation in that section is exceeded.
801.50 Formation of Unincorporated Entities	N/A - New Rule	Would make the formation of a non-corporate entity reportable if there is an acquisition of a controlling interest by one or more of the forming parties.	Adds a paragraph that clarifies that a newly-formed unincorporated entity is not an acquiring person with respect to the contributions to its formation. This comports with the formation of corporations under Section 801.40.
802.2 (g) Exemption of Agricultural Real Property	Includes timberland in the exemption.	Would exclude timberland from the exemption.	Adopted as proposed.
802.4 Acquisitions of Voting Securities of Issuers or Non-Corporate Interests in Unincorporated Entities Holding Certain Assets the Acquisition of Which is Exempt.	Exempts acquisitions of voting securities of issuers that only hold assets exempted under certain real property and ordinary course of business exemptions.	Would exempt acquisitions of voting securities or non-corporate interests in entities that hold assets exempted under any of the exemptions in Part 802 of the rules or Section (c) of the Act.	Adopted as proposed with minor edits for clarification.
802.10(b) Reorganizations	N/A New Rule	Would exempt the pro-rata conversion of one form of legal entity to another form.	Adopted as proposed.

Rule No.	The Current Rule	The Proposed Rule	The Final Rule
802.30(a) Intraperson Transactions	Exempts transactions where the acquiring and acquired person are the same person through the holding of voting securities.	Would exempt transactions where the acquiring and acquired person are the same through any test of control except the contractual right to designate directors.	Adopted as proposed.
802.30 (c) Intraperson Transactions	N/A - New Rule	Would exempt assets contributed to the formation of a new entity with respect to the person contributing those assets.	Adds contributions of voting securities to the exemption.
802.40 Exempt Formation of Corporations or Unincorporated Entities	Exempts an acquisition of voting securities in the formation of a not-for-profit corporation.	Would exempt any acquisition of interests in the formation of a corporate or unincorporated not-for-profit entity.	Adopted as proposed.
802.41 Corporations or Unincorporated Entities at the time of formation.	Eliminates the need for a to-be-formed corporation to report as the acquired person.	Would eliminate the need for a to-be-formed corporation or unincorporated entity to report as the acquired person.	Adopted as proposed.
802.65 Exempt acquisition of non- corporate interests in financing transactions.	N/A - New Rule	Would exempt the acquisition of a controlling interest in the formation of a new unincorporated entity that is being formed in connection with a financing transaction.	Removes the ordinary course of business and competitor prongs of the exemption in response to public comments that suggested they would make the exemption unavailable to bona fide financing transactions that should fall under the exemption. Extended to existing unincorporated entities.

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802.80 Transitional Rule for Transactions Investigated by the Agencies.	N/A - new rule	N/A - new rule	Adds new rule as requested by the comments.
Section 803.2 Instructions Applicable to Notification and Report Form.	Limits response of acquired person in Items 5, 7 and 8 to assets or voting securities being acquired.	N/A - not in proposed rules	Adds a paragraph that limits response of acquired person in acquisition of non-corporate interests to the unincorporated entity that is being acquired.
Section 803.10 Running of time.	Establishes that the waiting period in the formation of a new corporation commences when filings required from all acquiring persons in the formation are received.	N/A - not in proposed rules	Adds a reference to formations of unincorporated entities under Section 801.50.